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FISCAL IMPACT STATEMENT

LS 6666

BILL NUMBER: HB 1183

NOTE PREPARED: Dec 26, 2005

BILL AMENDED:

SUBJECT: Delayed Unemployment Compensation Payments.

FIRST AUTHOR: Rep. Stevenson

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill requires the Department of Workforce Development (DWD) to: (1) not later than three weeks after the date of the filing of an initial or additional claim for unemployment benefits, make a determination of eligibility and pay benefits or give notice of a negative determination; and (2) if the Department makes a positive determination of eligibility for benefits, include a bonus payment of 10% of the total amount due the claimant if the first payment of benefits is not made within three weeks after the date of filing for benefits.

Effective Date: Upon passage.

Explanation of State Expenditures: The bill requires DWD to make a determination of eligibility and payment to the claimant within 3 weeks of filing the claim. Between January and November 2005, about 77.9% of the claims had been processed within 3 weeks. The percentage ranged between 55% in September to 88.6% in January. DWD might incur additional expense if claims processing personnel were needed to process the claims. The budget for the federal employment security administration function of DWD is about \$71 M of federal money for FY 2007.

For the period of January to November 2005, about 29,671 claims took longer than 3 weeks. On an annual basis that would have been about 32,467 claims. The average weekly benefit was about \$269 during the period. The impact of the 10% bonus payment would have been about \$871,000 (32,367*269*10%). The bonus payments would be from the Unemployment Insurance Benefit Fund. The balance in the Unemployment Insurance Benefit Fund as of June 30, 2005, was about \$610.5 M, and benefits paid were about \$692.8 M.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of Workforce Development.

Local Agencies Affected:

Information Sources: *State of Indiana List of Appropriations*, State Budget Agency; Maureen Weber of Department of Workforce Development.

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